

Message Text

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43

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 AID-20 CIAE-00 FRB-02 INR-10

NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06

SIL-01 OMB-01 SCEM-02 SS-15 NSC-10 L-03 DODE-00 PA-03

USIA-12 PRS-01 INT-08 RSR-01 /154 W

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EO 11652: N/A

TAGS: ENRG, PO

SUBJ: GOP AWARDS PROVISIONAL CONCESSIONS FOR METROPOLITAN
OFFSHORE OIL EXPLORATION.

1. SUMMARY - GOP ANNOUNCED ON JULY 3 ITS DECISION TO
PROVISIONALLY AWARD OFFSHORE PETROLEUM EXPLORATION AND
PRODUCTION CONCESSIONS FOR ELEVEN OF ITS 32 ZONES ALONG
ATLANTIC COAST OF CONTINENTAL PORTUGAL. THE REMAINING
21 ZONES WILL BE SUBJECT OF FURTHER NEGOTIATIONS EXPECTED
TO TAKE PLACE DURING NEXT TWO MONTHS.
THREE SEPARATE GROUPS WERE AWARDED CONCESSIONS ON
FOLLOWING BASIS: A. SHELL-SACOR - TWO ZONES FOR JOINT
EXPLORATION; B. ESSO -- THREE ZONES FOR EXCLUSIVE
EXPLORATION; AND C. SUN -AMERADA (HESS) - PHILLIPS --
SIX ZONES WITH EACH PARTNER TO EXERCISE CONCESSION
RIGHTS IN TWO ZONES. END SUMMARY

2. AFTER INTENSIVE NEGOTIATIONS IN JUNE, THE FIRMS LISTED
ABOVE PRESENTED WORK PROGRAMS, I.E. TIMETABLES FOR
SEISMIC STUDY AND DRILLING AND SCHEDULE FOR INVESTMENT,
WHICH WERE ACCEPTED BY GOP. FINAL NEGOTIATIONS OF MINOR
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POINTS WILL BE CARRIED OUT DURING NEXT THREE MONTHS

AND CONTRACTS ARE EXPECTED TO BE SIGNED IN OCTOBER.

3. GOP SOURCES SUGGEST THAT ADDITIONAL CONCESSIONS MAY BE GRANTED SHORTLY TO SEVERAL OF REMAINING BIDDERS ON ORIGINAL LIST OF ELEVEN COMPANIES. GOP MAY THEN OPEN UP BIDDING FOR REST OF OFFSHORE AREAS TO ANY RESPONSIBLE BIDDERS ON BEST-OFFER BASIS.

4. COMMENT: AFTER MORE THAN THREE YEARS OF HOT AND COLD NEGOTIATIONS WITH INTERNATIONAL AND NATIONAL OIL COMPANIES, GOP ABRUPTLY CHANGED ITS WAIT-AND-SEE POLICY AND DECIDED LAST MAY TO PUSH FORWARD WITH CONCESSIONS. ONE OIL COMPANY REPRESENTATIVE SAID HE WAS AMAZED AT GOP'S RAPID PROGRESS DURING MAY AND JUNE AND GENERALLY PLEASED WITH HIS GROUP'S ZONES. ACCORDING TO THIS SOURCE, THE ELEVEN ZONES GRANTED REPRESENT THE MOST PROMISING AREAS.
POST

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